

DECEMBER 1998 ≈ VOLUME 78 NUMBER

12



# **SURVEY** *of* **CURRENT BUSINESS**

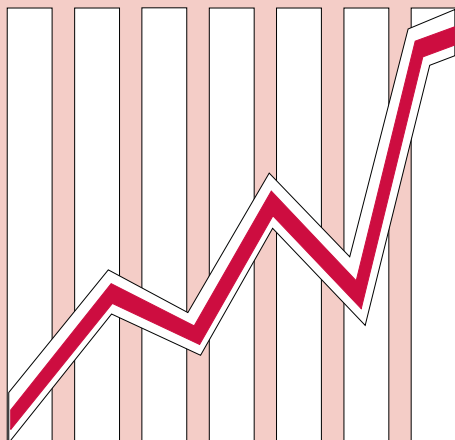


IN THIS ISSUE . . .

*Reliability of the Quarterly and Annual Estimates  
of GDP and Gross Domestic Income*

*Investment in New Structures and Equipment in 1992  
by Using Industries*

U.S. DEPARTMENT OF COMMERCE ≈ ECONOMICS AND STATISTICS ADMINISTRATION  
BUREAU OF ECONOMIC ANALYSIS



# SURVEY of CURRENT BUSINESS

SURVEY OF CURRENT BUSINESS (ISSN 0039-6222). Published monthly by the Bureau of Economic Analysis of the U.S. Department of Commerce. Editorial correspondence should be addressed to the Editor-in-Chief, SURVEY OF CURRENT BUSINESS, Bureau of Economic Analysis, U.S. Department of Commerce, Washington, DC 20230.

Subscriptions to the SURVEY OF CURRENT BUSINESS are maintained, and their prices set, by the Government Printing Office, an agency of the U.S. Congress. Postmaster: Send address changes to:

Superintendent of Documents,  
U.S. Government Printing Office,  
Washington, DC 20402.

The GPO order desk number is (202) 512-1800. The subscription complaint desk number is (202) 512-1806.

#### **Subscription and single-copy prices:**

*Periodicals:* \$39.00 domestic,  
\$48.75 foreign.  
*First-class mail:* \$88.00.  
*Single copy:* \$14.00 domestic,  
\$17.50 foreign.

Make checks payable to the Superintendent of Documents.

Periodicals postage paid at Washington, DC and at additional mailing offices. (USPS 337-790).

The Secretary of Commerce has determined that the publication of this periodical is necessary in the transaction of the public business required by law of this Department.

**U.S. Department of Commerce**  
William M. Daley, *Secretary*



#### **Economics and Statistics Administration**

Robert J. Shapiro, *Under Secretary for Economic Affairs*



#### **Bureau of Economic Analysis**

J. Steven Landefeld, *Director*

Rosemary D. Marcuss, *Deputy Director*

Robert P. Parker, *Chief Statistician*

Hugh W. Knox, *Associate Director for Regional Economics*

Brent R. Moulton, *Associate Director for National Income, Expenditure, and Wealth Accounts*

Sumiye O. Okubo, *Associate Director for Industry Accounts*

Gerald A. Pollack, *Associate Director for International Economics*

#### **Editor-in-Chief**

Douglas R. Fox

#### **Managing Editor**

Eric B. Manning

#### **Manuscript Editor**

M. Gretchen Gibson

#### **Graphics Designer**

W. Ronnie Foster

#### **Production Editors** Ernestine T. Gladden, Laura A. Oppel

THIS ISSUE of the SURVEY went to the printer on December 9, 1998.

It incorporates data from the following monthly BEA news releases:

U.S. International Trade in Goods and Services (November 18),  
Gross Domestic Product (November 24), and  
Personal Income and Outlays (November 25).

# TABLE OF CONTENTS

## *Special in this issue*

---

### 12 Reliability of the Quarterly and Annual Estimates of GDP and Gross Domestic Income

*An analysis of the reliability of the current quarterly estimates of real GDP since 1983 shows that they almost always provide the correct indication of the direction of change in U.S. economic activity. About three-fourths of the time, the current quarterly estimates correctly indicate whether the pace of U.S. economic activity is picking up or slowing down and whether it is deviating from its long-term growth trend. More than two-thirds of the time, the current quarterly estimates correctly identify the cyclical turning points in U.S. economic activity, and when they have "missed," it has never been by more than one quarter.*

### 26 Investment in New Structures and Equipment in 1992 by Using Industries

*The 1992 capital flow table is a supplementary table to the 1992 benchmark input-output (I-O) accounts that shows the flows of new structures and equipment to the private industries that purchased or leased them in 1992. The capital flow table can be used in conjunction with tables from the I-O accounts to identify the markets for new structures and equipment, and it can be used to estimate the output by commodity that is required to support a change in new investment or to estimate the effects of an industry's purchase of new structures and equipment on the outputs of all industries.*

## *Regular features*

---

### 1 Business Situation

*Real GDP increased 3.9 percent in the third quarter of 1998 after increasing 1.8 percent in the second quarter; the price index for gross domestic purchases increased 0.5 percent after increasing 0.4 percent. Corporate profits increased \$3.3 billion in the third quarter after decreasing \$8.6 billion in the second. The Federal Government current surplus increased \$18.7 billion, to \$93.1 billion, in the third quarter, and the State and local government current surplus increased \$8.7 billion, to \$150.0 billion.*

## 22 Federal Personal Income Tax Liabilities and Payments, 1995–96

*According to newly available BEA estimates of Federal personal income tax liabilities, liabilities exceeded payments by \$5.0 billion in 1995, and payments exceeded liabilities by \$1.1 billion in 1996. These estimates incorporate the results of the annual NIPA revision that was released in July and newly available tax return data from the Internal Revenue Service.*

## *Reports and statistical presentations*

---

### 54 An Ownership-Based Disaggregation of the U.S. Current Account, 1982–96

### 56 Subject Guide: Volume 78 (1998)

### 58 1999 Release Dates for BEA Estimates

## D-1 BEA Current and Historical Data

### National Data:

#### D-2 Selected NIPA Tables

#### D-27 Other NIPA and NIPA-Related Tables

#### D-36 Historical Tables

#### D-41 Domestic Perspectives

#### D-43 Charts

### International Data:

#### D-51 Transactions Tables

#### D-57 Investment Tables

#### D-62 International Perspectives

#### D-64 Charts

### Regional Data:

#### D-65 State and Regional Tables

#### D-69 Local Area Table

#### D-71 Charts

### Appendixes:

#### D-73 Appendix A: Additional Information About BEA's NIPA Estimates

#### D-75 Appendix B: Suggested Reading

### ***Inside back cover:*** BEA Information

*(A listing of recent BEA publications available from GPO)*

### ***Back cover:*** Schedule of Upcoming BEA News Releases